

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6960

BILL NUMBER: SB 331

NOTE PREPARED: Jan 30, 2006

BILL AMENDED: Jan 24, 2006

SUBJECT: Abandoned Vehicles.

FIRST AUTHOR: Sen. Broden

FIRST SPONSOR: Rep. Neese

BILL STATUS: As Passed Senate

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill requires that if:

- (1) an abandoned vehicle is sold by a person who removed, towed, or stored the vehicle; and
- (2) proceeds from the sale of the vehicle covered the removal, towing, and storage expenses (as opposed to just storage expenses under current law); the remaining proceeds from the sale of the vehicle must be returned to the previous owner of the vehicle if the previous owner is known.

The bill also provides that a municipal corporation that operates a storage yard may dispose of a vehicle to an automobile:

- (1) scrapyard; or
- (2) salvage recycler; upon removal of the vehicle.

It amends the estimated value of a vehicle to under \$1,000 when a public officer may immediately dispose of the vehicle to a storage yard. (Current law provides that a public officer may immediately dispose of a vehicle when the estimated value of the vehicle is less than \$500.)

Effective Date: July 1, 2006.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) This proposal likely will increase the number of vehicles listed as abandoned for the purposes of the Bureau of Motor Vehicles (BMV). Under the bill, if an abandoned vehicle would be valued at less than \$1,000 (instead of \$500) and is not claimed, it may be sold. The purchaser of an

abandoned vehicle must purchase a bill of sale for a fee of \$6. Revenue from abandoned vehicles has averaged approximately \$434,691 per year over the last five fiscal years for the BMV. The fund affected is the Abandoned Vehicle Fund.

Explanation of Local Expenditures: The bill allows removal and towing services in the amount that may be retained to cover expenses from the sale of an abandoned vehicle. These funds could offset any costs a local unit incurs for removal, towing, or storage of an abandoned vehicle.

Also, the bill could reduce storage expense for a municipal corporation that operates a storage yard because the municipal corporation could dispose of the abandoned vehicle to an automobile scrapyard or automotive salvage recycler upon removal of the vehicle.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Municipal corporations.

Information Sources:

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